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'09 OCT -1 P1 34

Marcia J. Knox
1885 Vintners Place
Reno, NV 89519
September 26, 2009

Honorable Judge Linda B. Riegler
United States Bankruptcy Court
300 Las Vegas Blvd. South 4th Floor
Las Vegas, Nevada 89101
Case Number: BK-S-06-10725-LBR

Honorable Judge Linda B. Riegler,

This letter is to further clarify claims that I, Marcia Knox, Trustee, as a direct lender in the USA Commercial Mortgage Company bankruptcy, have made. I do not agree with all recent actions by USACM Liquidating Trust to disallow claims I have made, and were unable to respond in the time frame provided. Enclosed is a comprehensive table explaining my reasons for allowance or disallowance, or re-instatements of my claims. Please consider my disapproval of the following USACM Liquidating Trusts disallowance of certain claims and clarification of all claims that should remain active or inactive.

I have spoke with John Hinderaker recently, on numerous occasions, to resolve these issues, but there has been disagreement regarding claims standing. I hope the court will be able to decide what is fair and which claims should remain standing.

The following information regarding claims should supersede any and all other communications between me, USACM liquidating trust and the Bankruptcy Court regarding these claims. I hope this serves to resolve the allowance/ disallowance issue for all of my previous and remaining claims.

Furthermore, I believe that, as all of my investments were as a direct lender, that the status of all remaining claims should be "secured" and not grouped as "general unsecured". If this can be reversed to a "secured" status, I would appreciate that being considered, if at all possible, as well.

If it is too cumbersome to deal with so many claims, I would like to request that all claims I have ever submitted, be reinstated until every property investment I am involved in, regarding this case, is resolved, then at that time, we can eliminate all remaining claims at once, after all distributions and court cases surrounding this case are finalized.

If there are any questions regarding this matter, I may be reached at (775) 826-9195.

Thank you for your time and attention to this matter. I hope this effort resolves any questions regarding these claims.

Prepared and Respectfully Submitted,

Marcia J. Knox Trustee

cc: John Hinderaker / Lewis and Roca

RECEIVED
JUDGE RIEGLE

DATE: 9-28-09

Claim #	Property	Amount	Reinstate or Disallow	Reason
10725-00756	Gateway Stone	50,000	Disallow	Paid/Resolved
10725-00722	Gateway Stone	733.48	Disallow	Paid/Resolved
10725-00699	Gateway Stone	733.48	Disallow	Paid/Resolved
10725-00676-1, 10725-00676-2	Gateway Stone	50,000	Disallow	Paid/Resolved
10725-01634	Anchor B	55,266.83(Amounts on 10725-00647, 10725-00648, 10725-00649)	Allow	Unresolved / Amendment, not replacement (should be added to 10725-00647, 10725-648,10725-00649)
10725-00647, 10725-00648, 10725-00649	Anchor B	50,000 principal, 733.48 diverted interest 4,533.35 diverted interest	Reinstate All (includes detailed proof) to be included with amendment or (noted correction, without detailed proof) of 10725-01634	These provide detailed proof of claim, where 10725-01634 is additional information, but not main documentation of proof
10725-00615, 10725-00616, 10725-00617	Anchor B	50,000, 733.48 4,533.35	Disallow because of Duplication of above claims	If 10725- 00647,-00648,-00649 can be re-established, these can be disallowed
10725-01635	Anchor B, Bay Pompano Beach, Gateway Stone	Unknown claim based on legal theories, including fraud, breach of fiduciary obligations, breach of confidential relationship, etc.	Re-instate, but disallow Gateway Stone portion only	Re-instate because it is still valid for Anchor B (unresolved), and Bay Pompano Beach (waterfall not distributed, not completely resolved yet), but can disallow only the Gateway Stone portion, which is resolved
10725-01637	Bay Pompano Beach	75,539.24(amendment to be included with proof in - 01037,01029,01028 below	Re-instate	Amendment or add-on to 10725-(01037-01029-01028-0766-0797-0798) Original documentation

				with full supporting proof is contained in original claims
Claim #	Property	Amount	Reinstatement or Disallow	Reason
10725-01037	Bay Pompano Beach	46,095.47	Reinstatement	Part of Bay Pompano Beach Principal was withheld pending the Waterfall issue; not fully distributed; see attached Windemere statement
10725-01029	Bay Pompano Beach	1,527.68	Reinstatement	Diverted Interest prior to BK
10725-01028	Bay Pompano Beach	27,916.09	Re-instatement	Diverted Principal Prior to BK
10725-00798		27,916.09	Disallow	Duplicate of - 01028 Diverted Principal
10725-00797		46,095.47	Disallow	Duplicate of - 01037; Diverted Principal
10725-00766		1,527.68	Disallow	Duplicate of - 01029; Diverted Interest



Formerly Tim Gay & Associates

- Litigation Support
- Business Valuation
- Corporate Restructuring
- Merger & Acquisition

SIERRA CONSULTING GROUP, LLC
Two North Central Avenue, Suite 700
Phoenix, AZ 85004-2324
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www.sierracglc.com

FAX COVER

Date: _____ Time: _____

Number of pages including cover sheet: _____

To: Marcia Knox

Fax: 775-826-9195

Phone: _____

CC: _____

CC Fax: _____

From: _____

Fax: 602-424-7002

Phone: 602-424-7001

Email: _____

Subject: _____

REMARKS:

☐ URGENT

☐ For your review

☐ Reply ASAP

☐ Please comment

Marcia,

Listed on the tables are proofs of claims filed by yourself and James E. McKnight. The status of each claim can be found in the far right column labeled Status. Let me know if you have additional questions. Thanks.

Brant Fylling

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED. ANY MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL, AND/OR EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. IF THE READER OF THE MESSAGE IS NOT THE INTENDED RECIPIENT, OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING THE MESSAGE TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION, DISTRIBUTION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED

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Marcia Knox Claims Table

Claimant Name	Proof of Claim Number	Date Filed	Amount	Amends/Replaces or replaced by	Classification	Basis	Status
Marcia J Knox Trust Dated 8/16/2004	10725-00615	10/10/2006	\$50,000.00	Claim was amended by 10725-01634	Secured Reclassified as Unsecured - DE 5090	Anchor B	AMENDED
Marcia J Knox Trust Dated 8/16/2004	10725-00616	10/10/2006	\$733.48	Claim was amended by 10725-01634	Secured Reclassified as Unsecured - DE 5090	Anchor B	AMENDED
Marcia J. Knox Trust Dated 8/16/2004	10725-00617	10/10/2006	\$4,533.35	Claim was amended by 10725-01634	Secured Reclassified as Unsecured - DE 5090	Anchor B	AMENDED
Marcia J Knox Trust Dated 8/16/2004	10725-00647	10/10/2006	\$50,000.00	Claim was amended by 10725-01634	Secured Reclassified as Unsecured - DE 5090	Anchor B	AMENDED
Marcia J Knox Trust Dated 8/16/2004	10725-00648	10/10/2006	\$733.48	Claim was amended by 10725-01634	Secured Reclassified as Unsecured - DE 5090	Anchor B	AMENDED
Marcia J. Knox Trust Dated 8/16/2004	10725-00649	10/10/2006	\$4,533.35	Claim was amended by 10725-01634	Secured Reclassified as Unsecured - DE 5090	Anchor B	AMENDED
Marcia J Knox Living Trust DTD 8/16/04	10725-00676-1 10725-00676-2	10/20/06	\$50,000.00	Claim was amended by 10725-01636	Secured Reclassified as Unsecured - DE 5090	Gateway Stone	Objection DE 6312 Objection Sustained, Claim Disallowed

Claimant Name	Proof of Claim Number	Date Filed	Amount	Amends/Replaces or replaced by	Classification	Basis	Status
Marcia J Knox Living Trust DTD 8/16/04	10725-00699	10/23/06	\$733.48	Claim was amended by 10725-01636	Secured Reclassified as Unsecured - DE 5090	Gateway Stone	Objection DE 6312 Objection Sustained 6472 - Disallowed
Marcia J Knox Living Trust DTD 8/16/04	10725-00722	10/18/06	\$733.48	Claim was amended by 10725-01636	Secured Reclassified as Unsecured - DE 5090	Gateway Stone	Objection DE 6312 Objection Sustained 6472 - Disallowed
Marcia J Knox Living Trust DTD 8/16/04	10725-00756	10/25/06	\$50,000.00	Claim was amended by 10725-01636	Secured Reclassified as Unsecured - DE 5090	Gateway Stone	Objection DE 6312 Objection Sustained 6472 - Disallowed
Marcia J Knox Living Trust	10725-00766	10/26/06	\$1,527.68	Duplicate of Claim 10725-01905			Objection DE 6742 - Duplicate - Disallowed DE 6917
Marcia J Knox Living Trust	10725-00797	10/26/06	\$46,095.47	Duplicate of Claim 10725-01905			Objection DE 6742 - Duplicate - Disallowed DE 6917
Marcia J Knox Living Trust Dated 8/16/04	10725-00798	10/24/06	\$27,916.09	Claim was amended by 10725-01637 - however claim 1905 states claim should not be included	Secured Reclassified as Unsecured - DE 5090	Bay Pompano Beach	Objection DE 7266
Marcia J Knox Living Trust Dated 8/16/04	10725-01028	10/24/06	\$27,916.09	Claim was amended by 10725-01637 - however claim 1905 states claim should not have been included.	Secured Reclassified as Unsecured - DE 5090	Bay Pompano Beach	

Claimant Name	Proof of Claim Number	Date Filed	Amount	Amends/Replaces or replaced by	Classification	Basis	Status
				We are construing this as amended for now.			
Marcia J Knox Living Trust Dated 8/16/04	10725-1029	10/26/2006	\$1,527.68	Duplicate of Claim 10725-01905			Disallowed by DE 6917
Marcia J Knox Living Trust Dated 8/16/04	10725-01037	10/26/2006	\$46,095.47	Duplicate of Claim 10725-01905			Disallowed by DE 6917
Marcia J Knox Living Trust Dated 8/16/04	10725-01634	12/7/2006	\$55,266.83	This claim amends 10725-00615 10725-00616 10725-00617 10725-00647 10725-00648 10725-00649	Secured Reclassified as Unsecured - DE 5090	Anchor B	
Marcia J Knox Living Trust DTD 8/16/04	10725-01635	12/08/06	Unknown Claim based upon legal theories, including fraud, breach of fiduciary obligations, breach of confidential relationship, etc.	N/A	Secured Reclassified as Unsecured - DE 5090	Anchor B, Bay Pompano Beach, and Gateway Stone	Objection DE 6322 re Gateway Stone Objection Sustained DE 6477 Objection DE 7278 re, Bay Pompano

Claimant Name	Proof of Claim Number	Date Filed	Amount	Amends/Replaces or replaced by	Classification	Basis	Status
Marcia J Knox Living Trust DTD 8/16/04	10725-01636	12/11/06	\$50,733.48	This claim amends: 10725-00676 10725-00699 10725-00722 10725-00756	Secured Reclassified as Unsecured - DE 5090	Gateway Stone	Objection DE 6314 Gateway Stone Objection Sustained DE 6473. Disallowed in its entirety.
Marcia J Knox Living Trust DTD 8/16/04	10725-01637	12/11/06	\$75,539.24	This claims amends: 10725-00766* 10725-00797* 10725-00798 10725-01028 10725-01029* 10725-01037* and is amended by 01905	Secured Reclassified as Unsecured - DE 5090	Bay Pompano Beach	Amended by 10725-01905; objection DE 7266 Bay Pompano
Marcia J Knox Living Trust Dated 8/16/04	10725-01905	01/09/07	\$75,539.24	Amends 10725-01637	Secured Reclassified as Unsecured - DE 5090	Bay Pompano Beach???	Objection 7243 - lack of documentation

Claims

MARCIA J KNOX LIVING TRUST DTD 8/16/04
 C/O MARCIA J KNOX TRUSTEE
 TRUST DATED 8/16/04
 1885 VINTNERS PL
 RENO, NV 89519-4334

Claim No:	Name:	Claim Amt:	Allowed Amt:	Disallowed Amt:	Unresolved Claim Amt:
10725-00756	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$50,000.00	\$0.00	\$50,000.00	\$0.00
10725-00699	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$733.48	\$0.00	\$733.48	\$0.00
10725-01028	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$27,916.09	\$27,916.09	\$0.00	\$0.00
10725-00766	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$1,527.68	\$0.00	\$1,527.68	\$0.00
10725-00798	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$27,916.09	\$0.00	\$27,916.09	\$0.00
10725-01037	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$46,095.47	\$0.00	\$46,095.47	\$0.00
10725-00797	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$46,095.47	\$0.00	\$46,095.47	\$0.00
10725-01634	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$55,266.83	\$0.00	\$0.00	\$55,266.83
10725-01905	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$75,539.24	\$0.00	\$75,539.24	\$0.00
10725-01029	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$1,527.68	\$0.00	\$1,527.68	\$0.00
10725-01637	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$75,539.24	\$0.00	\$75,539.24	\$0.00
10725-01635	MARCIA J KNOX LIVING TRUST DTD 8/16/04	Unliquidated	\$0.00	\$0.00	Unliquidated
10725-00722	MARCIA J KNOX LIVING TRUST DATED 8/16/04	\$733.48	\$0.00	\$733.48	\$0.00
10725-00676	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$50,000.00	\$0.00	\$50,000.00	\$0.00
Total:		\$458,890.75	\$27,916.09	\$375,707.83	\$55,266.83

Claims

MARCIA J KNOX TRUST DTD 8/16/04
 C/O MARCIA J KNOX TRUSTEE
 1885 VINTNERS PL
 RENO, NV 89519

Claim No:	Name:	Claim Amt:	Allowed Amt:	Disallowed Amt:	Unresolved Claim Amt:
10725-00615	MARCIA J KNOX TRUST DTD 8/16/04	\$50,000.00	\$0.00	\$50,000.00	\$0.00
10725-00648	MARCIA J KNOX TRUST DTD 8/16/04	\$733.48	\$0.00	\$733.48	\$0.00
10725-00616	MARCIA J KNOX TRUST DTD 8/16/04	\$733.48	\$0.00	\$733.48	\$0.00
10725-00649	MARCIA J KNOX TRUST DTD 8/16/04	\$4,533.35	\$0.00	\$4,533.35	\$0.00
10725-00647	MARCIA J KNOX TRUST DTD 8/16/04	\$50,000.00	\$0.00	\$50,000.00	\$0.00
10725-00617	MARCIA J KNOX TRUST DTD 8/16/04	\$4,533.35	\$0.00	\$4,533.35	\$0.00
Total:		\$110,533.66	\$0.00	\$110,533.66	\$0.00

Claims

MARCIA J KNOX LIVING TRUST DTD 8/16/04
C/O MARCIA J KNOX TRUSTEE
1885 VINTNERS PL
RENO, NV 89509-8334

Claim No:	Name:	Claim Amt:	Allowed Amt:	Disallowed Amt:	Unresolved Claim Amt:
10725-01636	MARCIA J KNOX LIVING TRUST DTD 8/16/04	\$50,733.48	\$0.00	\$50,733.48	\$0.00
Total:		\$50,733.48	\$0.00	\$50,733.48	\$0.00



TU

Entered on Docket
September 02, 2009

A handwritten signature, likely of Linda B. Riegle, is written in black ink within an oval border.

Hon. Linda B. Riegle
United States Bankruptcy Judge

LEWIS AND ROCA LLP

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John Hinderaker (AZ 018024)
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Attorneys for USACM Liquidating Trust

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:

USA COMMERCIAL MORTGAGE COMPANY,

USA CAPITAL REALTY ADVISORS, LLC,¹

USA CAPITAL DIVERSIFIED TRUST DEED
FUND, LLC,

USA CAPITAL FIRST TRUST DEED FUND, LLC,²

USA SECURITIES, LLC,³

Debtors.

Affects:

- ☐ All Debtors
- ☒ USA Commercial Mortgage Company
- ☐ USA Capital Realty Advisors, LLC
- ☐ USA Capital Diversified Trust Deed Fund, LLC
- ☐ USA Capital First Trust Deed Fund, LLC
- ☐ USA Securities, LLC

Case No. BK-S-06-10725-LBR
Case No. BK-S-06-10726-LBR¹
Case No. BK-S-06-10727-LBR
Case No. BK-S-06-10728-LBR²
Case No. BK-S-06-10729-LBR³

CHAPTER 11

Jointly Administered Under
Case No. BK-S-06-10725 LBR

**ORDER SUSTAINING SEVENTH
OMNIBUS OBJECTION OF USACM
TRUST TO PROOFS OF CLAIM BASED,
IN WHOLE OR IN PART, UPON
INVESTMENT IN THE BAY POMPANO
BEACH LOAN**

Hearing Date: August 21, 2009
Hearing Time: 9:30 a.m.

¹ This bankruptcy case was closed on September 23, 2008.

² This bankruptcy case was closed on October 12, 2007.

³ This bankruptcy case was closed on December 21, 2007.

1 The Court having considered the “Seventh Omnibus Objection of USACM Trust to
2 Proofs of Claim Based, in Whole or in Part, Upon Investment in the Bay Pompano Beach
3 Loan” [Docket No. 7278] (the “Objection”); with appropriate notice of the Objection
4 having been given; no responses having been filed; and good cause appearing:

5 **IT IS HEREBY ORDERED** that:

- 6 1. The Objection is sustained;
- 7 2. The claims listed on **Exhibit A** attached are allowed as general
8 unsecured claims for the amount shown on **Exhibit A** as Unremitted
9 Principal. The remainder of those claims are disallowed to the extent
10 they are based upon a Direct Lender investment in the Bay Pompano
11 Beach Loan as shown on **Exhibit A**; and
- 12 3. To the extent the claims listed on **Exhibit A** are based upon
13 investments in loans other than the Bay Pompano Beach Loan, this
14 order does not affect the claims and the USACM Trust may file
15 further objections as to those claims.

16 PREPARED AND RESPECTFULLY SUBMITTED BY:

17 **LEWIS AND ROCA LLP**
18 By /s/ Marvin Ruth (#10979)
19 Rob Charles
20 John Hinderaker
21 Marvin Ruth
22 3993 Howard Hughes Parkway, Ste. 600
23 Las Vegas, Nevada 89169-5996
24 Telephone: (702) 949-8200
25 Facsimile: (702) 949-8398
26 *Attorneys for USACM Liquidating Trust*

ROCA
 AND
 LLP
 LAWYERS

In accordance with Local Rule 9021, the undersigned certifies:

- ☐ The Court waived the requirements of LR 9021.
- ☐ No parties appeared or filed written objections, and there is no trustee appointed in this case.
- ☒ I have delivered a copy of this proposed order to all counsel who appeared at the hearing, any unrepresented parties who appeared at the hearing, and any trustee appointed in this case, and each has approved or disapproved the order, or failed to respond, as indicated below (list each party and whether the party has approved, disapproved, or failed to respond to the document):

U.S. Trustee: August Landis	
<input type="checkbox"/> approved the form of this order	<input type="checkbox"/> disapproved the form of this order
<input checked="" type="checkbox"/> waived the right to review the order and/or	<input type="checkbox"/> failed to respond to the document
Other Party:	
<input type="checkbox"/> approved the form of this order	<input checked="" type="checkbox"/> disapproved the form of this order
<input type="checkbox"/> waived the right to review the order and/or	<input type="checkbox"/> failed to respond to the document

###

Submitted by:

John E. Mader

LEWIS AND ROCA LLP

By: /s/ Marvin Ruth (#10979)

Rob Charles
 John Hinderaker
 Marvin Ruth

Attorneys for USACM Liquidating Trust

Claim	Name	Address	Total Claim Amount	Total Claim Amount Relating to Bay Pompano Beach Loan	Unremitted Principal to be Allowed as Claim	Approximate Amount Subject to Objection
10725-00231	Donald P Clark Family Trust DTD 10/25/94	C/O Donald P Clark Trustee 305 W Moana Ln Reno, NV 89509-4924	709,011.56	74,011.56	-	74,011.56
10725-00413	Sobesky, Stephen	1118 Olmo Boulder City, NV 89005	70,000.00	Unknown	-	Unknown
10725-01032	Perrone, Nicholas	5112 San Anselmo St Las Vegas, NV 89120	736,089.00	46,089.00	-	46,089.00
10725-01419	S&P Davis Limited Partnership	737 Bannerman Lane Fort Mill, SC 29715	419,981.00	25,000.00	-	25,000.00
10725-01541	Graham Family Trust DTD 10/26/78	Robin B & Celia Allen Graham Tees 1460 Twinridge Rd Santa Barbara, CA 93111-1223	503,808.00	37,500.00	-	37,500.00
10725-01601	Clark, Donald	305 W Moana LN Reno, NV 89509	775,918.76	82,571.84	-	82,571.84
10725-01635	Marcia J Knox Living Trust DTD 8/16/04	C/O Marcia J Knox Trustee 1885 Vintners Pl Reno, NV 89509-8334	-	Unknown	-	Unknown
10725-01684	Mcknight, James E	233 Branch Ave Freeport, NY 11520	-	Unknown	-	Unknown
10725-01694	Wahl, David	Po Box 8012 Mammoth Lakes, CA 93546	289,414.18	45,278.83	-	45,278.83
10725-01863	Hubbard Trust DTD 7/29/98	C/O George W Hubbard And Carol N Hubbard Trustees 6340 N Calle Tregua Serena Tucson, AZ 85750-0951	162,500.00	27,500.00	-	27,500.00

BASED ON LEGAL THEORY EXHIBIT A FRAUD, ETC. UNRESOLVED
CIRCLED CLAIM TO BE ALLOWED - UNRESOLVED
IN FAVOR MEDICAL

10725-01684	Binford Medical Developers	Unknown claim based on legal theories, including fraud, breach of fiduciary obligations, breach of confidential relationship, etc.	Re-instate; Allow	Re-instate because it is still valid for Binford Medical Developers (unresolved)
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